

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

16-2797

SB 344-FN, *relative to tax credits applicable to client companies of employee leasing companies.*

Senate Ways & Means Committee

The proposed bill amends newly enacted legislation (Chapter 216, Laws of 2015) concerning tax credits and leased employees. The proposed bill would specifically cite to those tax credits where a client company may consider leased employees when determining their qualification for a tax credit if an election has been made pursuant to RSA 77-E:13-a. The proposed bill would eliminate several general or ambiguous references to incentives, credits, or economic programs “that are based on employment.”

It is assumed that the proposed changes to RSA 277-B:17-a are intended to reduce the possible unknown loss of revenue that could result from providing generally for the treatment of leased employees without specifically listing the tax credits intended to be impacted. It is uncertain whether or not the proposed changes would have that assumed impact.

There is no way for the Department of Revenue Administration to determine the fiscal impact of this bill. The Department has no way of estimating the number of business organizations that might take advantage of the new sections of law added by the passage of SB 211 or the possible tax revenue implications of doing so for any individual business.

This bill would take effect on July 1, 2016.

The proposed bill has no applicability section. As SB 211 (Chapter 216, Laws of 2015) was applicable to taxable periods beginning on or after January 1, 2016, the proposed changes to RSA 277-B:17-a should also have that same applicability language, if intended to apply to all years when the RSA 77-E:13-a election can be made.